

IMPORTANT NOTICE TO ACTIVE HSTA VEBA MEMBERS

As you may be aware, Judge Karl Sakamoto recently issued an oral ruling that VEBA members who will be transitioned from the HSTA VEBA Trust plans to the Hawaii Employer-Union Health Benefits Trust Fund (EUTF), effective January 1, 2011, are entitled to receive the same level of benefits coverage as they currently enjoy in the VEBA Trust. In order to comply with Judge Sakamoto's ruling, the EUTF is working to put into place new health and other benefits plans that VEBA members will be enrolled in, effective January 1, 2011.

The enrollment of VEBA members into these new health and other benefits plans is being done solely to comply with Judge Sakamoto's ruling and not to create any constitutional or contractual right to the benefits provided by those plans. Please note that the State does not agree with Judge Sakamoto's ruling and reserves the right to move VEBA members into regular EUTF plans if Judge Sakamoto's ruling is overturned or modified.

The EUTF is working to put in place processes to enable the transition of VEBA members to the EUTF. Information regarding this transition as well as the new health and other benefits plans for VEBA members will be communicated through the EUTF's web site and other means. We encourage you to check the EUTF's web site frequently which will have updates as new information about your transition and plans become available.

The EUTF's web site is as follows: **www.eutf.hawaii.gov**

TRANSITION Information for VEBA Members as of December 16, 2010:

1. Health Plan elections/changes made in November Limited Open Enrollment will NOT be Processed: All of the health benefit plan elections submitted by Bargaining Units (BU) 05 and 45 members during the November 3, 2010 - November 24, 2010 limited open enrollment period are cancelled and will NOT be processed.

2. No Interruption of Coverage

In compliance with Judge Sakamoto's ruling, BU 05 and 45 members will have the same level of benefits coverage starting January 1, 2011, and no interruption of coverage. More details will be issued shortly.

3. No Open Enrollment Scheduled for VEBA Members Until Further Notice

The EUTF is in the process of preparing for an open enrollment period that will be applicable to all other State & County employees in January 2011. **This open enrollment period will NOT be applicable to BU 05 and 45 members. There will NOT be a separate, special open enrollment period for employees of BU 05 and 45 members until further notice.**